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Job related training in Scotland – what do the data tell us?

Stuart G McIntyre

I Introduction and background

In the recent edition of Scottish Labour Market Trends, the Fraser of Allander Institute's joint publication with the Scottish Centre for Employment Research, we noted that there had been a downward trend in the share of employees who were receiving job related training over the past decade or so. In this article we review the data in more detail to better understand what the trends have been in job related training in Scotland and elsewhere in the UK.

For a range of reasons, it is important to track the investment that firms are making in their employees. Not least that this has important implications for the long-term productivity of the economy. In turn improvements in productivity should translate into improvements in wages and prosperity for workers. Furthermore, given anticipated trends in automation - for instance - it is important to track the degree to which the workforce is being developed and encouraged to enhance their skills.

Aggregate measures of training don't shed any light on the nature of the training. Employees receiving health and safety training, a core element for many workers but not one which necessarily develops their existing skillset, represents a different type of training compared to those workers being trained for a job that they will do in the future or to be more productive in their current job (for instance through learning a new software programme or how to operate a new piece of machinery).

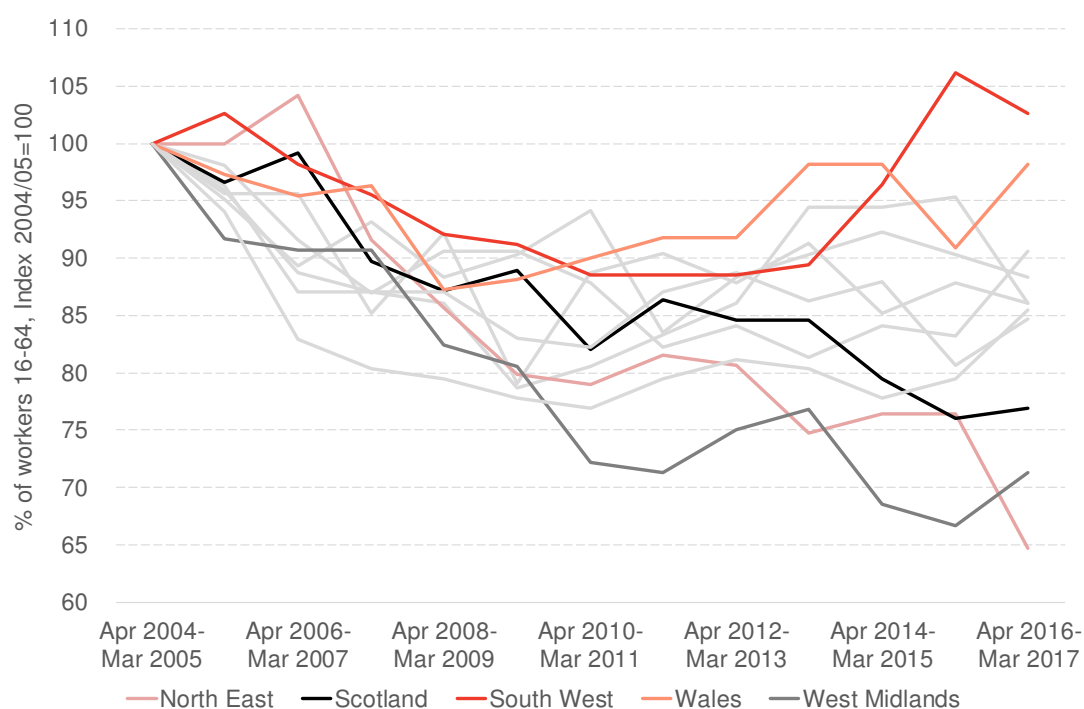
In this article we begin by reviewing the aggregate data on job-related training that workers receive. These data are from the Annual Population Survey, and look at training received over the past 4 weeks or the past 13 weeks. We begin with comparisons across different parts of the UK, to understand whether there are diverse regional trends in employee training. However, perhaps most interesting is what is happening to training across work patterns (part time/full time), gender, education and sectors of the Scottish economy. This is the focus of the second part of this paper.

We end this paper by considering data from the Understanding Society survey on the intensity of training, and also the nature of that training. At this stage we only consider the data from the latest 'wave' of this survey, but in future work will link these waves together to analyse trends in the intensity and nature of training in more detail.

II So, what do the headline data tell us?

Figure 1 shows the trend in job-related training across the regions and nations of the UK. We've picked out those places where the trend appears to be more stable over this period (South West England and Wales) as well as places where the trend is more sharply downward (North East England and the West Midlands).

Figure 1: % of workers who received job related training in last 4 weeks (16-64).



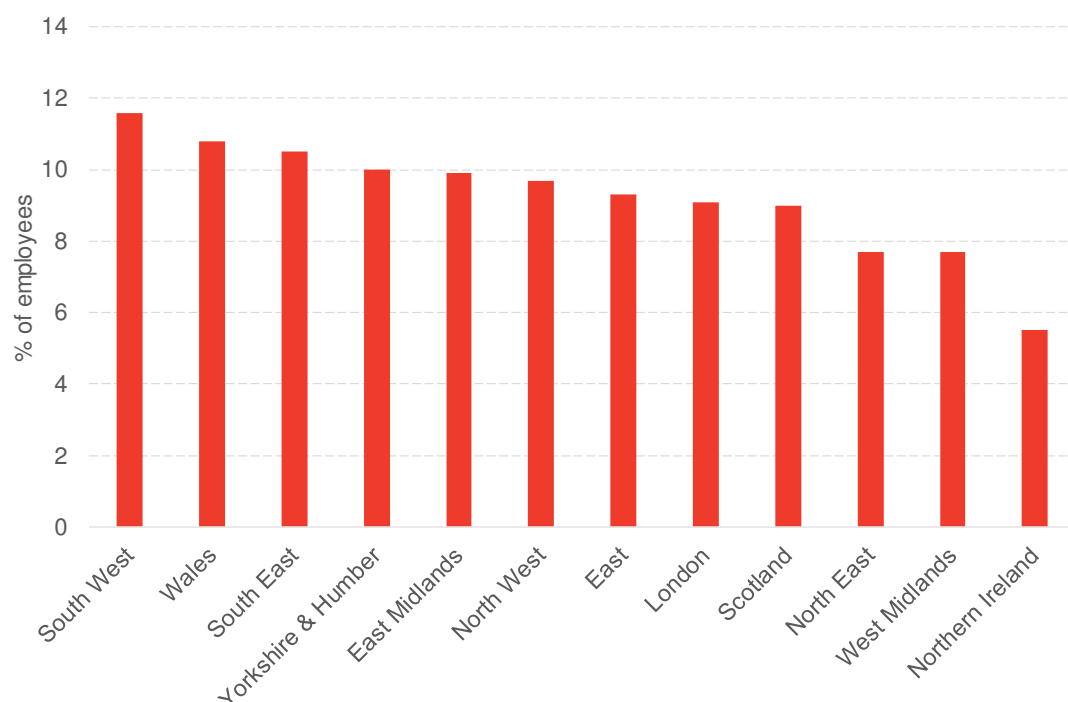
Source: Annual Population Survey, April 2016-March 2017

Scotland is close to the bottom of the ranking on this basis with a clear downward trend in job-related training, and indeed as Figure 2 shows, only Northern Ireland, North East England and the West Midlands have lower shares of employees receiving job-related training than Scotland. This is in contrast to the earliest data (for 2004-05) when only the South East and the North East of England had higher shares of employees being trained.

Four weeks may seem too short a period to evaluate variations in job related training provided to employees, so in Figure 3 we look at trends in job related training over the previous 13 weeks. Again, a fairly consistent picture emerges of a smaller percentage of employees in all parts of the UK receiving job related training that they did in the 2000's.

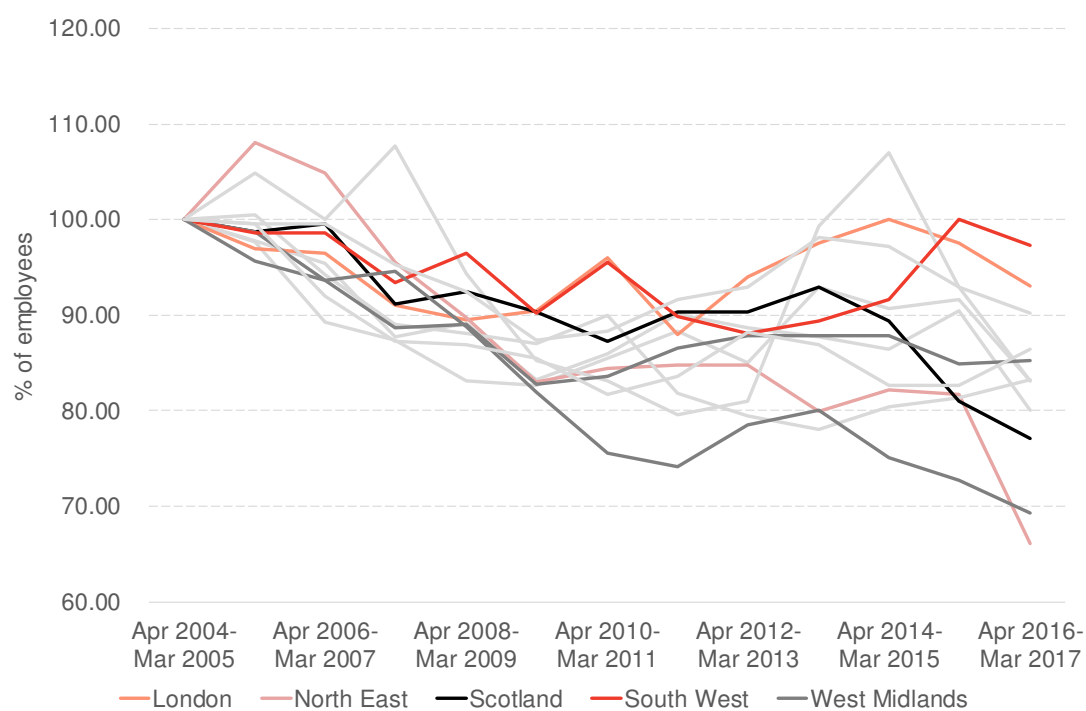
On this measure, again, Scotland appears to have seen a greater reduction in on-the-job training than some other parts of the UK. The West Midlands and the North East have again seen the greatest drop on this measure, while the South West has seen a much smaller fall in job-related training, alongside London, on this measure.

Figure 2: % of workers who received job related training in last 4 weeks (16-64) April 2016 – March 2017



Source: Annual Population Survey, April 2016-March 2017

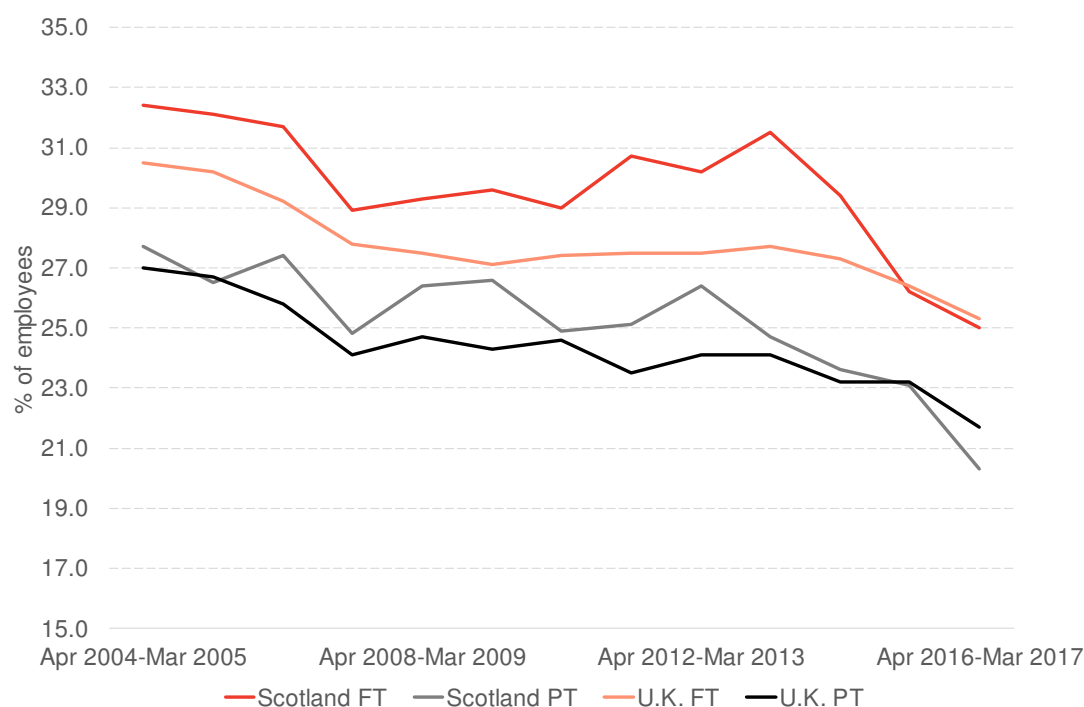
Figure 3: % of workers who received job related training in last 13 weeks (16-64)



Source: Annual Population Survey, April 2016-March 2017

Looking in more detail at these data we can see how the share of employees receiving training differs across fulltime and part-time workers in Figure 4.

Figure 4: % of full-time and part-time workers who received job related training in last 13 weeks (16-64)



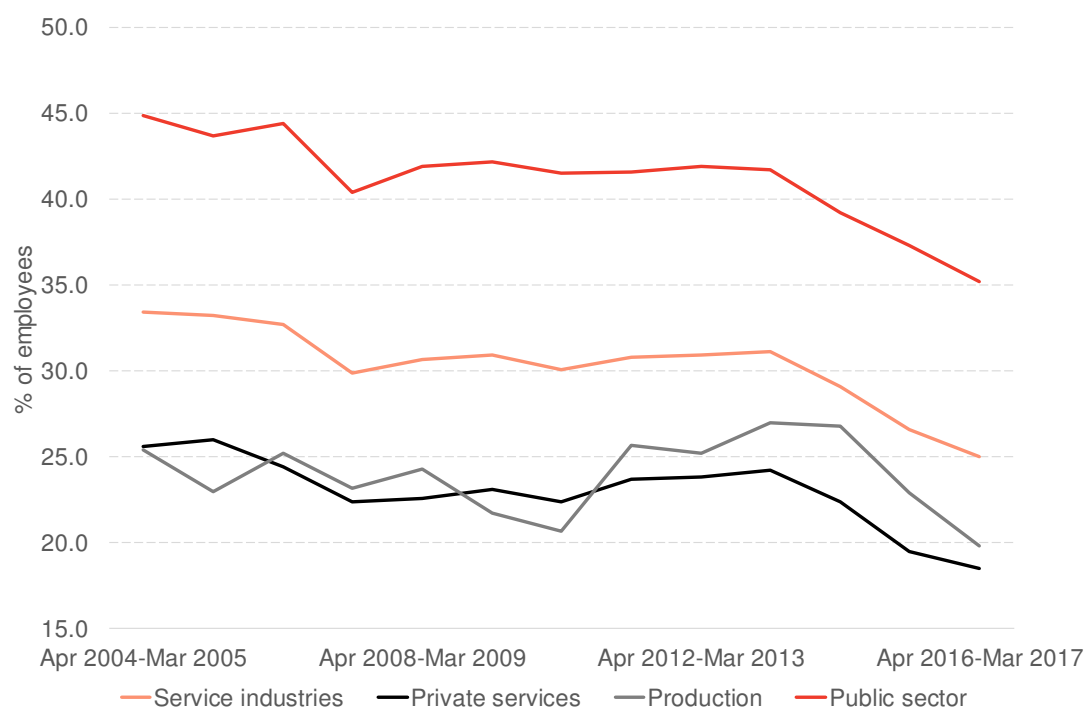
Source: Annual Population Survey, April 2016-March 2017

We can see that part-time workers are less likely to have received training in the previous 13 weeks than fulltime workers, but also that having had a training rate of full and part-time workers that was higher than the UK as a whole for most of this period, Scotland has now seen training rates dip below UK rates.

We can also look at how training rates differ across industry and the public sector. Figure 5 shows that the public sector has a far higher training rate than any other part of the economy, albeit it too has been declining since 2004.

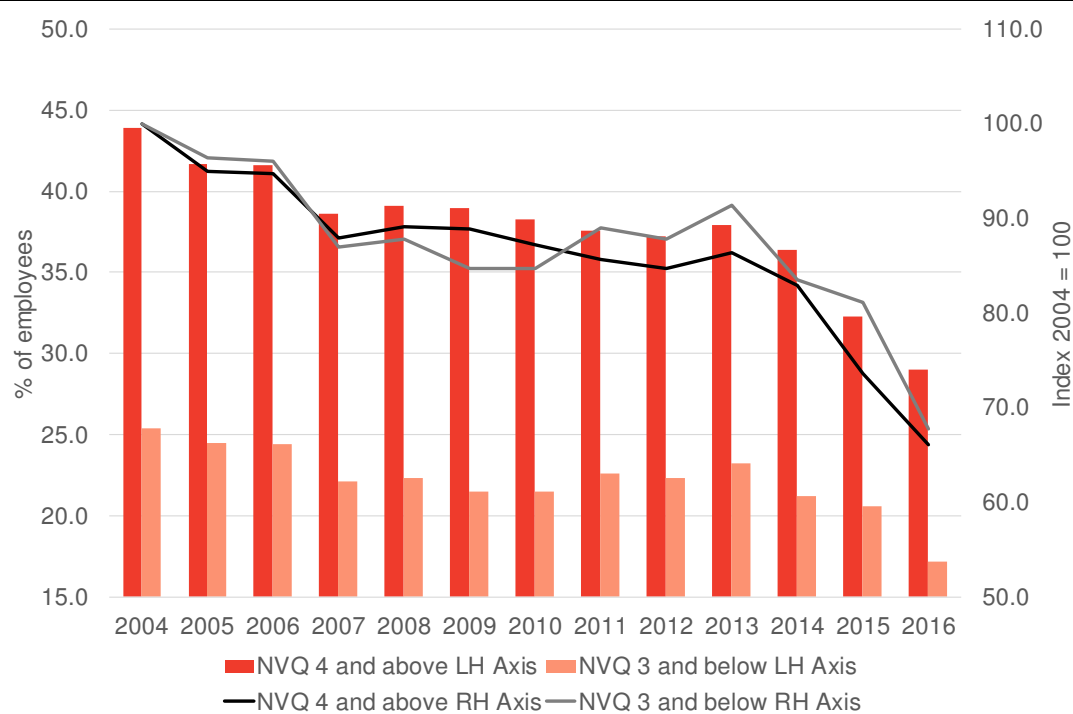
Similarly, there has been a decline in the share of employees being trained across education levels. Figure 6 shows that employees with NVQ 4 and above qualifications are more likely to receive training than those with NVQ 3 and below qualifications. However both groups have seen a similar decline in their training rates.

Figure 5: % of workers who received job related training in last 13 weeks (16-64) by sector



Source: Annual Population Survey, April 2016-March 2017

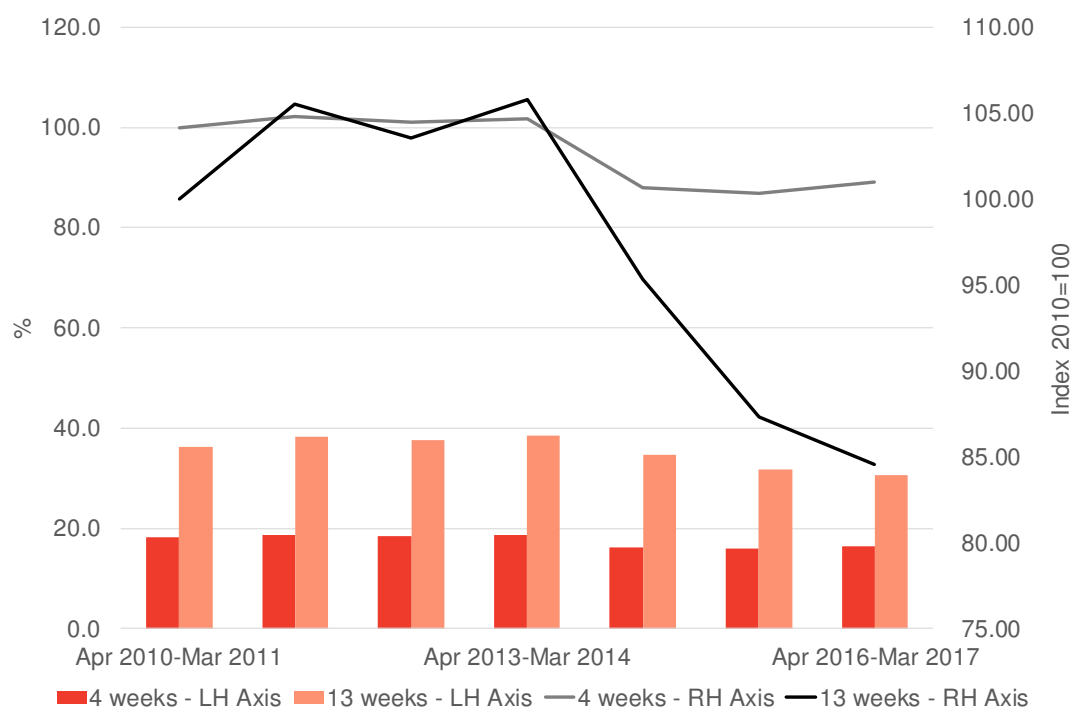
Figure 6: % of workers who received job related training in last 13 weeks (16-64) by education level



Source: Annual Population Survey, April 2016-March 2017

This decline is also reflected among those in managerial and professional occupations as Figure 7 shows.

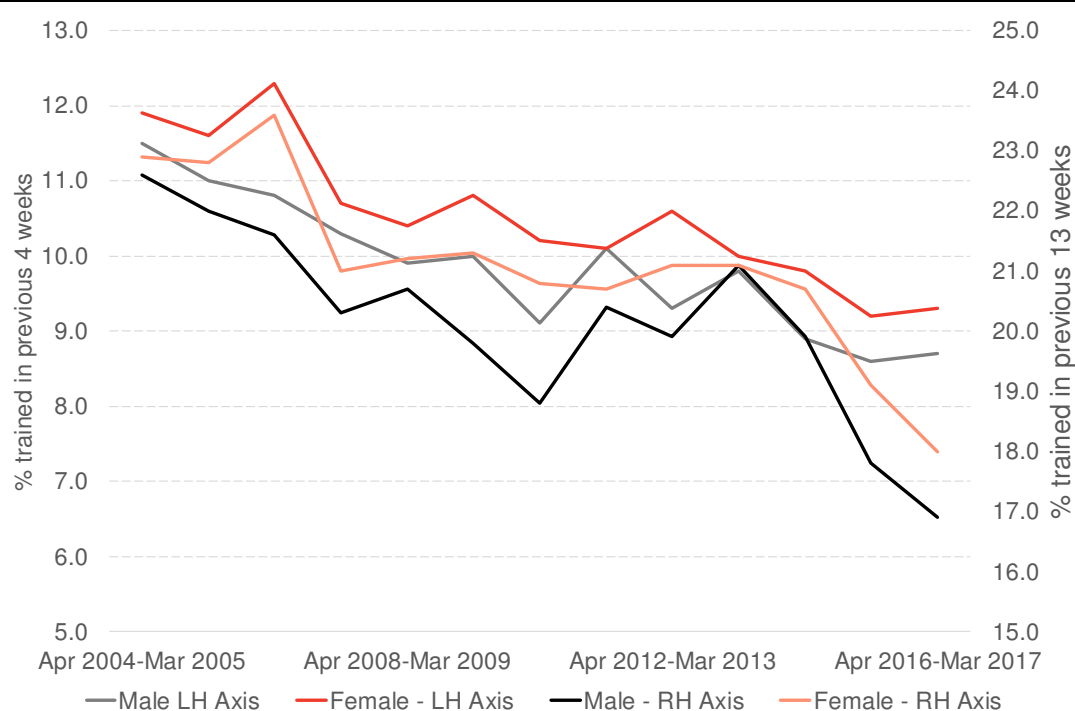
Figure 7: % of workers in managerial and professional occupations who received job related training in last 4 or 13 weeks (16-64)



Source: Annual Population Survey, April 2016-March 2017

Similarly, we can see from Chart 8 that there has been a similar decline in employee training among men and women, although women are more likely to have received training than men.

Across sectors, work pattern, gender and education levels there has been a steady decline in the share of employees receiving job related training in Scotland. This trend is not unique to Scotland, albeit as Figure 1 and Figure 3 show that Scotland has seen a sharper decline in its training rate for workers than a number of other parts of the UK. Indeed as Figure 2 shows only Northern Ireland, North East England and the West Midlands have lower shares of employees receiving job-related training than Scotland. This trend appears to be fairly consistent across gender (Figure 8); education levels (Figure 6); part-time and full-time workers (Figure 4); broad sector of the economy (Figure 5).

Figure 8: % of workers who received job related training in last 4 or 13 weeks (16-64) by gender

Source: Annual Population Survey, April 2016-March 2017

Aside from training rates, what do we know about the intensity of training or the type of training being received? In the next section we review some data from the Understanding Society survey to help us answer these questions.

III How much training, and what types of training, are being delivered?

The APS data don't provide much insight into the types of training being undertaken. However, using a different data source, the Understanding Society survey data, we can get some insight into the frequency with which employees in Scotland are being trained and the types of training they are receiving.

Understanding Society is an annual survey of each adult member of a nationally representative sample. The survey is based on annual interviews with the survey members. Here we analyse data from Wave 6, for which fieldwork covered the year from mid-2015 to mid-2016.

Firstly, we can see that over 40% of workers in Scotland who received training over this period only received one period of training, with slightly over 14% of workers receiving 5 or more periods of training.

Table 1: % of workers undertaking some training since their previous Understanding Society interview, by number of training periods

Number of training periods	% of workers
1	43.4%
2	20.9%
3	14.3%
4	7.1%
5	5.3%
6	4.0%
7	0.7%
8	0.5%
9	0.5%
10+	3.3%

Source: Understanding Society, Wave 6

This means that we should be cautious about interpreting the headline data on whether or not a worker has received training in the previous 4 or 13 weeks as a measure of training intensity. Nevertheless, we can conclude from the APS data reviewed earlier that the number of workers being trained is declining across the UK as a whole and across Scotland (Figure 4).

In Understanding Society they also ask survey participants about the type of training that they have received and the frequency with which particular types of training are described is recorded.

Table 2: % of workers undertaking some training, by type of training

Description of training mentioned:	% of those undertaking training
to help get started in their job	7%
to improve their skills in their current job	60%
to maintain professional status and/or meet occupational standards	42%
to prepare them for a job they might do in the future	21%
to help them get a promotion	8%
health and safety training	22%
for hobbies or leisure	4%

Source: Understanding Society, Wave 6

We can see that the dominant reasons for undertaking training are improving their skills in their current job, or meeting professional or occupational standards. Encouragingly, around 1 in 5 of

those undertaking some training are doing so to prepare themselves for a job that they may do in the future.

The Understanding Society data is a broader measure of training than that in the APS, for example it includes training undertaken outside of a professional setting (i.e. for hobbies and leisure). Nevertheless, these data suggest a welcome focus for training on improving skills, meeting professional standards and helping people prepare for a job they may do in the future.

However, even if there is some evidence that people are undertaking the 'right' sorts of training, the overall declining trend in those being trained remains a concern. Not least because of anticipated trends of substantial technological change in the workplace.

IV Why should the decline in employee training be a concern?

We began this article by emphasising that training and investment in workers matters, not just for individuals and firms, but for the whole economy. We have seen that there is an overall declining trends across worker characteristics and work patterns of declining job-related training, but that of those who do undertake training the types of training being undertaken appear to align well with the development of their skills and have an eye to the future.

Nevertheless, we are seeing substantial technological change, and a realignment of the skills that workers need to compete in the modern labour market. In the absence of a wider engagement with training by workers and firms, and investment by firms and government in providing access to training, existing challenges of labour market polarisation are likely to continue and indeed to accelerate.

We discussed these challenges in some detail in the June 2017 edition of our Scottish Labour Market Trends publication¹. While the Scottish Government have placed a clear emphasis on "[working] with employers to help them retain their workforce through continued training, workplace learning and up-skilling²", it is unclear at this stage how this will translate into tangible action and interventions. Indeed it is far from clear what are the most effective means of delivering on this ambition.

Going forward, if we are to address labour market polarisation and Scotland's weak record on productivity growth more generally, it will be important that we engage stakeholders across the labour market in designing interventions. But crucially, it is essential that we also embed robust evaluation frameworks into those interventions.

At this stage we don't know, and can't know, how well different initiatives will work in practice in Scotland, but what we can do is find out. The challenges are substantial, but so too is the scope

¹ <https://www.sbs.strath.ac.uk/economics/fraser/20170613/labour-market-trends.pdf>

² <http://www.gov.scot/Publications/2016/08/2505/5>

to design and implement genuinely innovative initiatives backed up by a robust process for evaluating them.

V Conclusions

This article has reviewed the recent data in trends in worker training in Scotland. It is clear that the headline trends are of a decline in rates of training across sectors, work pattern, gender and education levels.

This decline in employee training matters for, at least, three reasons: firstly Scotland's (and indeed the UK's) productivity performance over the past decade has been weak – partly explaining the disappointing wage growth over this period. Secondly, as my colleague Professor Patricia Findlay has identified, employee training plays a role in job quality (see Findlay et al (2017)), and in turn job quality has important implications for productivity. Finally, against a backdrop of significant technological change and the rise of automation in industry it is essential to the future path of productivity, economic growth and prosperity that we invest now in reversing the hollowing out of the labour market, and preparing workers for the jobs of tomorrow.

This requires a joined up approach from government, but also participation from businesses and the third sector. It requires genuinely innovative thinking, and a willingness to experiment and adapt in new ways of delivering, and supporting people to engage with, training in the skills needed to compete in the labour market in the decades ahead.

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